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REPORT

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THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSES OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 50 U. S. C., 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

SOURCE Finansije.

Milos Vuckovic

The development of its network of affiliates is shown by the number of branches in the republics at the end of each of the last 5 years, as follows:

	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>
Serbia	9	33	118	124	135
Croatia	6	29	92	91	103
Slovenia	2	8	34	33	34
Bosnia and Herzegovina	1	19	55	55	66
Macedonia	1	10	27	27	32
Montenegro	0	4	13	13	13
Main headquarters	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	20	104	340	344	384

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The People's Bank has established a uniform monetary fund, concentrated in the People's Bank. This uniformity is extremely advantageous in the management, planning, and convenient handling of monetary funds and reserves. The bank has established a uniform system of payments, in which all other Yugoslav banks and all post offices are included.

In addition to its regular functions, the People's Bank has established 89 communal banks and ten local savings branches, aided the establishment of 32 state banks for supplying credit to farm workers' cooperatives, audited the accounts of all cooperatives, given help to commissions calculating accounts of cooperative organizations, completed an inquiry into the status of commercial goods, completed an inquiry into the financial activity involved in the workers' supply service, supervised the payment of all kinds of accumulation in enterprises, distributed ration cards, and liquidated all private banks.

The People's Bank is administered by a governor and three vice-governors. They are appointed and transferred by the Minister of Finance of the Federal government with the consent of the Prime Minister. The Bank's activity is divided into 17 administrations, which parallel each other in the main headquarters and the republic centers. These administrations are represented by services in the oblast affiliates, and by working groups and referents in the srez affiliates. The administrations are: the Administrations of Plans and Statistics, Reserves, General Credits, Cooperative and Agricultural Credits, Savings, Payment Transactions, Execution of the State Budget, Foreign Exchange Activities, Accounting, Personnel, Economic Technique, Secretariat, Organization, Main Audit, Workers' Welfare, Ration Cards, and Professional Advancement of Personnel. In addition, the bank has separate organizational units for various special groups of activities, such as the Bureau of Records, the Editorial Board of the periodical Glasnik, the Referents for Children's Orphanages, Day Nurseries, Health Service, Summer Resorts, etc.

The circulation of currency and coins varied as follows:

<u>Date</u>	<u>Dinars</u>
30 Apr 1945	3,601,492,865
30 Jun 1945	8,692,488,432
30 Sep 1945	13,241,257,550
31 Dec 1945	17,822,147,861.50
31 Mar 1946	16,419,081,860
30 Jun 1946	15,231,521,794
30 Sep 1946	18,394,711,342
31 Dec 1946	20,578,337,706
31 Mar 1947	19,524,554,418
30 Jun 1947	20,045,439,573
30 Sep 1947	25,632,452,908
31 Dec 1947	29,685,892,957
31 Mar 1948	28,819,560,835
30 Jun 1948	31,404,737,956
30 Sep 1948	33,116,894,244
31 Dec 1948	39,466,177,180
31 Mar 1949	40,770,485,338
30 Jun 1949	40,658,293,358.50
30 Sep 1949	43,031,653,518.50
31 Dec 1949	45,369,108,428

The variation in circulation is closely linked with the kaseno planiranje [treasury clearing planning?] which was introduced in the last quarter of 1948. Its influence on circulation is shown in the retarded bank-note circulation of 1949, even though in this year there was a considerable increase in the production and circulation of goods, budgets, credits, and capital investments.

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The clearing plan affected money circulation as follows:

1949	No of Clearing Accounts	Deposits		Withdrawals	
		Planned (in million dinars)	Fulfilled	Planned (in million dinars)	Fulfilled
1st quarter	37,958	36,547	38,684	36,075	38,459
2d quarter	44,071	38,018	38,547	36,372	37,686
3d quarter	51,641	48,279	42,149	46,820	43,653
4th quarter	56,604	46,334	46,031	47,920	48,107
Total	190,274	169,178	165,411	167,187	167,905

The number of payments agreements with foreign countries increased from eight in 1945 to 116 in 1950. The total number of credits established by the bank in Yugoslavia and abroad was 3,422 in 1947, 5,603 in 1948 and 6,129 in 1949.

The number of savings depositors increased from 269,659 in 1946 to 922,439 in 1949. The increase was closely related to the "Savings Week" campaign organized in the last half of 1949, which brought in 338,657 new depositors by the end of 1949.

The uniform system of payments established by the People's Bank is illustrated by the following table, showing the variation between clearing and cash payment transactions (in millions of dinars):

Year	Total Transactions	Exchange Transactions	Cash Transactions	Clearing Transactions	
				Percent of Total	Percent of Exchange
1945	97,380	80,999	16,381	83.16	66.34
1946	682,297	557,896	124,401	81.76	63.46
1947	1,267,346	1,108,390	158,956	87.45	74.91
1948	1,972,264	1,698,839	273,425	86.13	72.27
1949	2,656,635	2,361,767	294,868	88.90	77.81

The above data shows the large increase in the total number of financial transactions, especially since 1947, when the People's Bank created a uniform system of payment. The total number of current accounts was 32,433 in 1947, 37,278 in 1948, and 41,186 in 1949. The total number of bills of exchange was 76,949,000 in 1948 and 96,378,000 in 1949.

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Credits were utilized in current accounts as follows (in thousands of dinars):

<u>Quarter</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>
1st	19,479,266	41,185,469	59,896,007
2d	26,768,693	48,770,284	65,610,602
3d	37,315,142	54,866,411	73,526,009
4th	49,634,922	63,893,044	75,404,228

<u>Date</u>	<u>Federal</u>	<u>Republic</u>	<u>Local</u>	<u>Disabled Veterans Associations and Enterprises</u>	<u>Workers' Supply Service</u>	<u>Cooperative Sector</u>	<u>Private Sector</u>
31 Dec 1948	24,755	21,526	6,532	930,000	1,736	8,258	156,000
31 Dec 1949	25,244	32,330	7,057	626,000	987,000	9,004	155,000

The loans of enterprises of republic significance increased considerably because many large enterprises of federal significance were transformed into enterprises of republic significance.

The various types of activity utilized credit as follows:

<u>Type of Activity</u>	<u>No of Current Accounts</u>		<u>Credits Outstanding, 31 Dec 1948 (in million dinars)</u>	<u>Percent of Total</u>	<u>Credits Outstanding, 31 Dec 1949 (in million dinars)</u>	<u>Percent of Total</u>
	<u>1948</u>	<u>1949</u>				
Industry	2,095	1,795	13,857	21.7	19,862	26.3
Mining	323	307	2,743	4.3	4,886	6.5
Agriculture	2,370	4,392	4,129	6.5	7,114	9.4
Forestry	97	112	3,077	4.8	2,696	3.6
Construction	171	188	292	0.4	430	0.6
Transportation	143	151	539	0.8	677	1.0
Retail trade	4,984	8,491	7,622	12.0	11,931	15.8
Wholesale trade	2,145	1,766	23,168	36.3	24,388	32.3
Entertainment	610	1,323	282	0.4	560	0.8
Tourists	--	1	--	--	--	--

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Type of Activity	No of Current Accounts		Credits Outstanding, 31 Dec 1948 (in million dinars)	Percent of Total	Credits Outstanding, 31 Dec 1949 (in million dinars)	Percent of Total
	1948	1949				
Crafts and home industry	1,589	1,228	482	0.7	876	1.2
Housing and municipal activity	41	43	36	0.06	24	0.03
Cultural and social activity	277	418	234	0.4	252	0.3
Activity of state agencies	208	130	1,153	1.8	1,625	2.1
Finance and credit	67	37	247	0.4	74	0.1
Activity of mass organizations	67	96	21	0.04	7	--
Free professions and private individuals	91	24	3	--	2	--

The table above shows that 50 percent of the total credits of the People's Bank went to commerce, 25 percent to industry, and 25 percent to other types and branches of activity. The increase in retail trade credit in 1949 was a result of the increased number of cooperative retail stores and workers' service supply stores. Commercial enterprises dealing in "miscellaneous and other goods" used about 8,600,000,000 dinars in credit; internal wholesale trade, 10,898,000,000 dinars; crop purchase, 8,823,000,000 dinars; and the export-import trade, 4,666,000,000 dinars. Of the total of 19,861,000,000 [sic] dinars borrowed by industry, forestry used 5,956,000,000 dinars; the metal and metal-processing industry, 3,920,000,000 dinars; textiles, 2,493,000,000 dinars; the food industry, 1,997,000,000 dinars; building materials, 1,169,000,000 dinars; electrical industry, 1,043,000,000 dinars; and all other industries, 3,283,000,000 dinars.

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